



Republican Policy Committee

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March 2, 1995

Clinton Wins; America Loses

Democrats Defeat Balanced Budget Amendment

By a single vote margin today, 33 Senate Democrats handed President Clinton a major legislative victory today by defeating House Joint Resolution 1, a Constitutional amendment requiring a balanced Federal budget, by a single vote. Six Senators who voted for a nearly identical version of the amendment almost exactly a year ago (S. J. Res. 41, March 1, 1994), changed their minds and voted no today.

Americans have been denied an opportunity to vote through their state legislatures as to whether the constitution should require a balanced federal budget. The amendment required two-thirds approval of the Senate to be approved and submitted to states for ratification.

The six defectors are Senator Minority Leader Tom Daschle (D-SD); Jeff Bingaman (D-NM), Byron Dorgan (D-ND), Dianne Feinstein (D-CA), Minority Whip Wendell Ford (D-KY), and Ernest Hollings (D-SC). Five of the six Senators not only voted for the amendment last year, but spoke strongly in its behalf on the Senate floor¹. Some in casting their votes today hid behind a political fig leaf of protecting Social Security as an excuse for not voting for the amendment, despite strong evidence that every Democratic amendment offered on the floor to "protect" Social Security would itself threaten the future health and security of Social Security².

Whose Voting To Raid Social Security?

Interestingly enough, these same six Senators voted to raise taxes on and thus reduce the benefits of 3 million Social Security recipients in 1993 [Record Vote 247, 8/6/93]. Moreover, these six defectors voted repeatedly in 1993 to divert the proceeds from the Social Security's OASDI trust fund-- the fund responsible for paying monthly benefits for senior citizens and disabled workers-- into Medicare. That is, in 1995, the six defectors said they wanted to protect the old-age trust fund from being raided, yet in 1993 they voted to do exactly that.³

What's Changed since the vote last year?

When It Wasn't Going to Pass

"In this debate on a balanced budget amendment, we are being forced to face the consequences of our inaction. Quite simply, we are building a legacy of debt for our children and grandchildren and hamstringing our ability to address pressing national priorities...To remedy our fiscal situation, we must stop spending beyond our means. This will not require the emasculation of important domestic priorities, as some suggest."

Senator Thomas Daschle, (D-SD), *Cong. Rec.*, S-1981, February 28, 1994

"This deficit is not about some unusual investment that is going to yield enormous potential rewards. This is a structural operating budget deficit that represents a permanent, continual imbalance between what we raise and what we spend, and the Congress and the American people have conspired together in a way in our political system that prevents us from dealing with it. This constitutional amendment, no matter what one thinks of it, will add to the pressure that we reconcile what we spend with what we raise, and that we begin to assure a better economic future with economic growth and hope and opportunity for our children once again."

Senator Byron Dorgan (D-ND),
Cong. Rec., S-2068, March 1, 1994

"If in their heart of hearts they believe we are not going to be able to balance the budget under the current process, then I believe they should support the balanced budget amendment. At least that is the conclusion to which I have come. Without a constitutional amendment, a balanced budget just is not going to be achieved."

Senator Dianne Feinstein, D-CA,
Cong. Rec., S-1831, February 24, 1994

When Its Passage Looked Possible

"Republicans promise, even though they are willing to spell it out, to leave Social Security untouched."

"It is, as others have said, one of the most critical votes we will cast, a vote which could change not only the budget but the economy and the perceptions of the very Constitution itself. Let us take care to do it right. Let us defeat this [balanced budget] amendment and go back to the drawing board before it is too late. Future generations are counting upon us tonight to do just that."

"Senator Thomas Daschle, (D-SD),
Cong. Rec., S-3301, February 28, 1995

"There's no reform, there's no changing the ways, it is the way this town has always worked and if we're going to do this we ought to do it right and reject the way it's always worked and say let's be honest about whether or not we're going to balance the budget. We're going to balance it and we're also going to preserve and protect, not raid, the Social Security Trust Funds."

Senator Byron Dorgan (D-ND),
Press Conference Senate Radio-TV Gallery,
March 1, 1995

"Now, while I believe a balanced budget is the correct policy decision for this country — I do not believe we must pass any amendment just because a few have ordained this to be the amendment"

Senator Dianne Feinstein, D-CA,
Cong. Rec., S-3236, February 28, 1995

"I hear so much about if 40-some-odd Governors can operate a balanced budget, why can't the Federal Government... I operated under it. It worked... I think implementation of this amendment will work. I think we can make it work... I do not understand why it takes a brain surgeon to understand how you operate a budget the way the States do... This is an opportunity to pass a balanced budget amendment that will work and will give us a financially sound future, not only for ourselves but for our children and our grandchildren."

Senator Wendell Ford, D-KY,
Cong. Rec., S-2058, March 1, 1994

"I could offer my colleagues 3.5 trillion reasons for a balanced budget amendment to the Constitution; that is the number of deficit dollars added to the national debt since 1981. But I will rest my case with one simple reason: It ought to be a minimal moral obligation of our national government to match its income with its expenditures on an annual basis... so that additional debt is not passed on to future generations."

Senator Ernest Hollings, D-SC,
Cong. Rec., S-2075, March 1, 1994

"I have had a great deal of concern about voting for the version of the balanced budget amendment that is before the Senate and it is that concern which led me to cosponsor with my colleague from California, a substitute amendment exempting Social Security from the equation."

Senator Wendell Ford, D-KY,
Cong. Rec., S-3239, February 28, 1995

"We see several Senators trying to avoid the problem and not engage in truth in budgeting. We have truth in packaging and truth in lending, but we do not have truth in budgeting. It was not in the Contract With America and it is not in the current version of this balanced budget amendment."

Senator Ernest Hollings, D-SC,
Cong. Rec., S-2396, February 9, 1995

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1. See RPC Paper, *"Balanced Budget Amendment: What Some Senators Said Last Year About the Balanced Budget Amendment,"* 2/22/95.
2. See RPC Papers, *"The Real Threat to Social Security,"* and *"Reading the Feinstein Amendment,"* 2/2/95
3. See RPC paper, *"BBA Defectors and Social Security,"* 3/2/95.